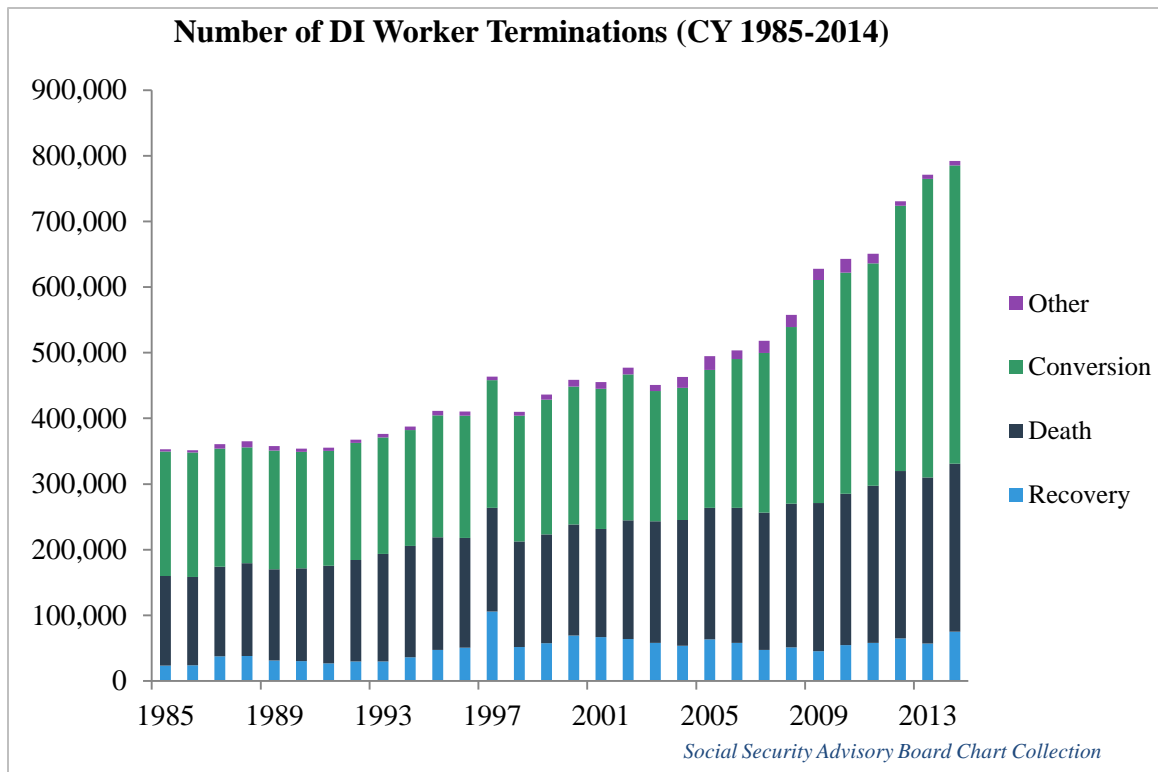


Chapter 4: Termination of DI Benefits

Social Security Advisory Board



Chart 1a: DI Worker Terminations



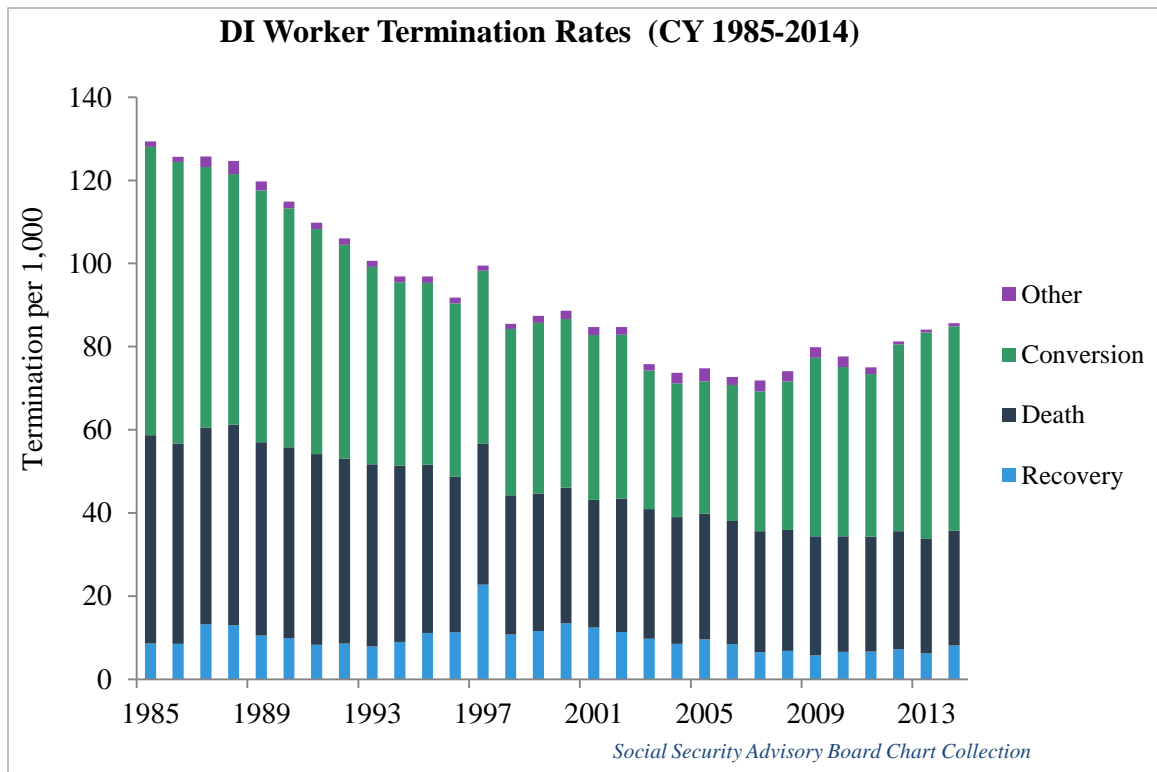
DI benefits for disabled workers can be terminated for reasons that are grouped into four categories: death, recovery (either medical recovery or return to work), conversion to retirement benefits at full retirement age, and other (switching to retirement benefits prior to full retirement age, withdrawal of application, or erroneous entitlement). Chart 1a illustrates a steady increase in the number of DI worker terminations since 1985. However, Chart 1b shows that the percentage of beneficiaries terminated has actually decreased over the years, in large part because beneficiaries have had an increasingly higher survival rate.

The spike in terminations for 1997 was the result of legislation that required SSA to review the eligibility of people receiving disability benefits based on a diagnosis of drug addiction and alcoholism. The legislation eliminated SSDI and SSI benefits for individuals whose disability was based on those conditions.

Sources:

U.S. Social Security Administration, Office of the Chief Actuary DIB terminations summary dated August 2015.

Chart 1b: DI Worker Termination Rates



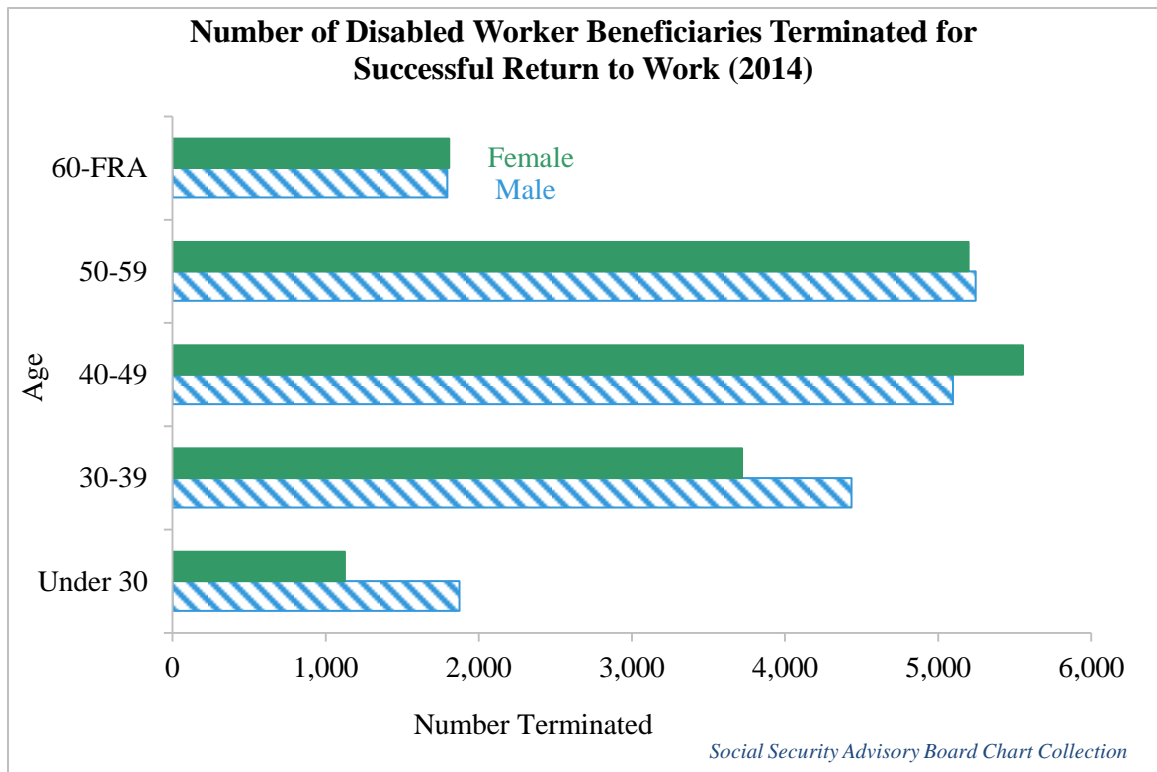
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Sources:

U.S. Social Security Administration, Office of the Chief Actuary DIB terminations summary dated August 2015.

Chart 2a: Terminations for DI Worker Return to Work



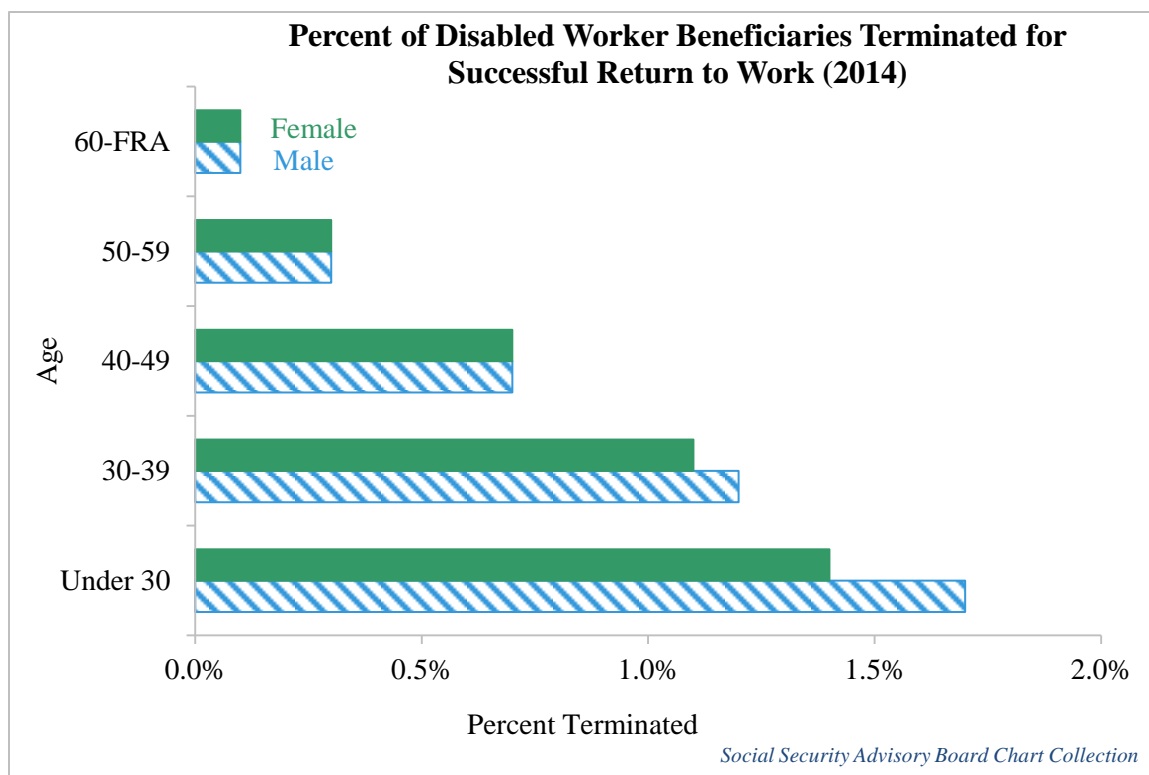
A total of 35,846 DI worker beneficiaries had their benefits terminated because of a successful return to work in 2014. For both men and women, this represented 0.4 percent of beneficiaries, a 0.05 percent increase from 2013. A higher percentage of younger workers had their benefits terminated for this reason. For men, the range was from 1.7 percent of beneficiaries under 30 to 0.1 percent of beneficiaries between age 60 and full retirement age. For women, the range was from 1.4 percent of beneficiaries under 30 to 0.1 percent of beneficiaries between age 60 and full retirement age.

Sources:

U.S. Social Security Administration, Office of Retirement and Disability Policy, *Annual Statistical Report on the Social Security Disability Insurance Program*, 2014, table 57, November 2015.

https://www.ssa.gov/policy/docs/statcomps/di_asr/2014/sect03g.html#table57

Chart 2b: Terminations Rates for DI Worker Return to Work



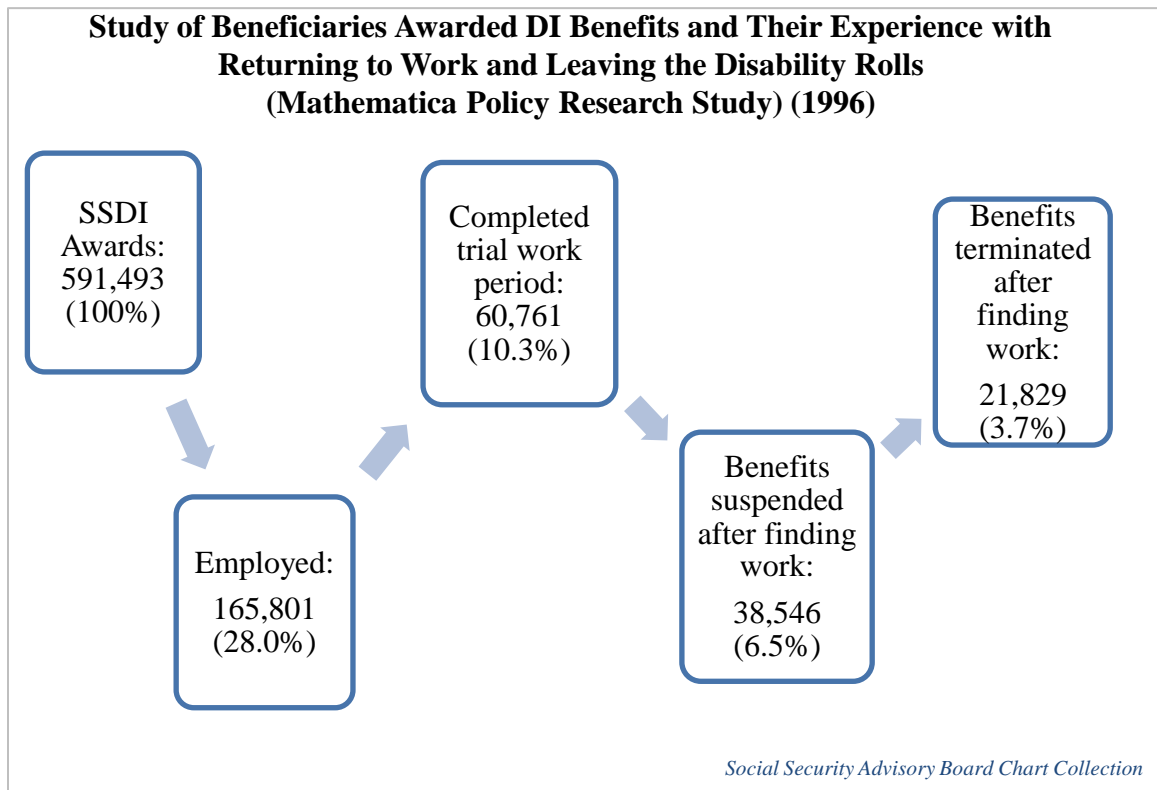
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https://www.ssa.gov/policy/docs/statcomps/di_asr/2014/sect03g.html#table57

Chart 3: Study in Awarded DI Beneficiaries



An April 2010 Disability Policy Research Brief by Mathematica Policy Research, Inc., followed beneficiaries who were first awarded DI benefits in 1996 through 2006. It found that:

- 28 percent reported earnings of \$1,000 or more to the Internal Revenue Service;
- 10.3 percent completed the trial work period, in which they can work for nine months without loss of benefits;
- 6.5 percent had their benefits suspended for working at the level of “substantial gainful activity” in the first 36 months after completing the trial work period. This 36 month period is known as the “extended period of eligibility”; and
- 3.7 percent had their benefits terminated because they engaged in substantial gainful activity after

Sources:

Liu, Sui and David Stapleton, "How Many SSDI Beneficiaries Leave the Rolls for Work? More Than You Might Think," Disability Policy Research Brief #10-01, Washington, D.C.: Center for Studying Disability Policy, Mathematica, Policy Research Inc., April 2010, http://www.mathematica-mpr.com/publications/PDFs/disability/ssdi_benef_ib.pdf